

Delegated decision report

DECISION UNDER DELEGATED POWERS

**DECISION CANNOT BE TAKEN BEFORE TUESDAY, 19
FEBRUARY 2013**

Title	JOINING A LOCAL TRANSPORT BODY FOR THE SOLENT AREA
Report to	CABINET MEMBER FOR PROCUREMENT, FIRE, HIGHWAYS AND TRANSPORT

EXECUTIVE SUMMARY

1. This report sets out the case for the Isle of Wight Council joining with Transport for South Hampshire (TfSH) and the Solent Local Enterprise Partnership (SLEP) to establish a Local Transport Body. Once established this body will take over the role of the former Regional Assemblies with regard to prioritising local major transport schemes and allocating funding.
2. To this end it is recommended that the council agree:
 - To join with our TfSH partners and the SLEP in a Local Transport Body (LTB)
 - To appoint the cabinet member for Procurement, Fire, Highways and Transport to represent the Isle of Wight Council on the LTB.
 - To delegate to the Director of Economy and Environment, in consultation with the cabinet member for Procurement, Fire, Highways and Transport, the authority to amend or agree minor changes to the draft LTB agreement.
3. Agreement to this recommendation will give the council the potential to access £2 million-plus government funding for individual major transport schemes in the future. This investment is particularly important at a time when council budgets are under increasing pressure and there is an increasing focus from government to devolve decisions and funding to a sub-regional level.

BACKGROUND

4. In 2009 the incoming government abolished regional assemblies as part of their move to devolve decision making to a local level. One of the functions of the regional assemblies was to access government funding for local major transport schemes which has meant that the government has had to consider an alternative method of undertaking this function in the future.

5. The government has previously consulted on a number of options for delivery of funding in the future and is now proposing the establishment of Local Transport Bodies (LTBs) which will be based upon Local Enterprise Partnership (LEP) areas and include Local Transport Authorities (LTA's) and the LEP.
6. The government anticipates that LTBs will be set up in order to meet the following timetable for identification and prioritisation of schemes:

Date	Action required
April 2013	Meeting of the LTB to agree prioritisation methodology.
June 2013	Meeting of LTB to agree priorities.
"By" July 2013	Submit an indicative list of schemes to DfT.

Transport for South Hampshire

7. The council has already agreed to join Transport for South Hampshire (TfSH) a strategic planning group which includes Hampshire County Council, Portsmouth City Council, and Southampton City Council. (Delegated decision report 32/12 Cross Solent joint working on economic development and transport [here](#) dated 17/08/12)
8. TfSH has been discussing with the Solent Local Enterprise Partnership (SLEP) and others the best way in which to establish an LTB for the area. TfSH is a formally established group, which covers the SLEP area. TfSH and SLEP already work closely and the SLEP is a (non-voting) member of the TfSH joint committee. DfT have demonstrated confidence in the existing arrangements for local partnership working and there can be no doubt that existing architecture, experience and expertise of TfSH will provide a strong and sound basis on which to establish a LTB.
9. A draft agreement and assurance framework has been prepared by the Director of Corporate Services for Southampton City Council who acts as the legal advisor for TfSH. These drafts together set out how TfSH could undertake the LTB function and have been circulated to the four authorities involved in TfSH and the SLEP. Copies of these documents are attached as Appendix A and Appendix B to this report.

STRATEGIC CONTEXT

10. The clear and established aims of TfSH and the Solent LEP are to improve local transport and support economic growth and as such the aims of these groups clearly contribute directly to the council's corporate priorities of driving economic growth and regeneration.
11. Improving our local transport through additional funding which could potentially be accessed through the LTB would support the Sustainable Communities Strategy, Eco Island and contributes to all of the Eco Island themes – a Thriving Island, a Healthy and Supportive Island, a safe and Well-kept Island and an Inspiring Island.

CONSULTATION

12. Consultation on this issue has taken place on a number of levels. The government has consulted widely with local authorities, LEPs and others. Details of this consultation are included as a background paper to this report.
13. The issue has also been discussed at TfSH meetings attended by the council's cabinet member – details of which can be found on the TfSH website [here](#)
14. The LTB meetings themselves will need to take place in an open forum as required by government in their Assurance Framework Guidance and will need to be publicised in accordance with agreed standards.

FINANCIAL / BUDGET IMPLICATIONS

15. It is anticipated that the LTB functions would be contained within existing TfSH staff resources with no additional financial burden being placed on the constituent authorities. DfT recognise TfSH as a model partnership and see the establishment of this LTB as one of the most effective and least bureaucratic ways in which to establish a local transport body.
16. The council currently receives funding from government for local transport improvements and road maintenance schemes in the form of two discrete funding blocks. These block allocations are calculated using formulas which take into consideration a number of factors including local population, lengths and condition of roads.
17. The situation will change however from this financial year, whilst the council has received two funding blocks up until now, from April 2013 the maintenance block will be converted into PFI credit (grant) for the period of the PFI contract the next 25 years.
18. Any funding for major transport schemes would be in addition to these areas of funding and will be in the form of capital. On 23 January 2013 the government announced that the indicative level of funding for the four year period 2015-19 for the Solent LTB area would be £28.8m.
19. A minimum project cost threshold of £2m is proposed for schemes seeking consideration through the LTB process. The previous major scheme fund set a £5m minimum threshold, but this has been revised in the light of the latest guidance from DfT which recommends LTBs set a "minimum cost threshold appropriate to the area and budget of the LTB."
20. There will be future financial implications for the council if it chooses to bid for some of this money through the LTB process. This would be in terms of any costs associated in the development of the detailed bid, plus if the scheme went ahead the council will need to find a 25% contribution towards the total scheme cost. This is an important consideration as the amount of both revenue and capital resources being made available to local authorities is being reduced year on year. This contribution could however be in the form of external funding and / or developer contributions. It will be necessary for any future funding bids to be agreed by the council at the appropriate stage.

CARBON EMISSIONS

21. The proposal will have no direct impact on the council's Carbon Management Plan or carbon allowances; however, transport is one of the major contributors to the Island's carbon emissions and poor air quality. A move away from car use and onto public transport will help address concerns in this area and support the council's aim to reduce Island carbon emissions by 4% per year.
22. The LTB offers the opportunity to secure funding for future major transport schemes including those which more directly benefit travel by sustainable means including walking, cycling and travel by public transport. To achieve funding each scheme will have to satisfy the prioritisation criteria which require full consideration of environmental impacts of any proposal.

LEGAL IMPLICATIONS

23. In September the Department for Transport (DfT) published Devolving Local Major Transport Schemes: Next Steps, which summarised responses to the January 2012 consultation and set out guidelines for the establishment of LTBs. In late November DfT published Guidance for the establishment of LTBs, which set out the minimum requirement of an Assurance Framework
24. The geography of a LTB for the Solent LEP area has already been suggested in a joint letter submitted in September to DfT, signed by the Chairman of the Solent LEP and Chief Executives of the four Local Transport Authorities (LTAs) including the Island. This identified that the local preference is for the LTB boundary to be coterminous with that of TfSH and the Solent LEP.
25. LTBs will have a single remit, that being to prioritise local major transport scheme investment and award funding to those prioritised schemes from the devolved local major transport schemes pot.
26. Existing statutory duties and responsibilities of Local Transport Authorities (LTAs) along with local transport funding streams are unaffected, meaning that the role of an LTB is a very specific one. LTAs remain the only bodies that can deliver (or allow delivery of) schemes in their area and will retain the responsibility for producing and monitoring local transport plans and transport strategies for their area.
27. The government guidance is clear that "as a minimum, full membership of an LTB, with voting rights must be open to all LTAs within the geographical area of the LTB and to the primary LEP or LEPs upon whose geography the LTB is based" In addition LTBs should be democratically accountable" and that "as a minimum, elected representatives should form the majority of voting members of the LTB or alternatively, other measures should be put in place to ensure that elected representatives cannot be out voted by non elected parties"
28. All LTBs will need to meet certain minimum standards of governance, financial management, accountability and meeting and testing value for money. This should be set out in an Assurance Framework a copy of which must be submitted to the DfT by the end of February 2013. A copy of the draft agreement relating to the Solent LTB is

attached as Appendix A, the draft Solent Transport Body Assurance Framework is attached as Appendix B

29. The draft agreement recognises that an LTB can include representatives other than local authorities, but under Sections 101 and 102 of the Local Government Act 1972, LGA 2000 and Section 13 of the Local Government and Housing Act 1989, only Local Transport Authorities can have voting powers.

EQUALITY AND DIVERSITY

30. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation
31. An equality impact assessment has been undertaken to assess whether there is any potential negative or positive impact on any of those protected characteristics as a result of the decision.
32. This assessment concludes that none of the identified groups are likely to be adversely discriminated against by joining the SLTB, but instead it is more likely that all those living on and visiting the Island including these groups, will benefit as a result of additional spending in this area, The full assessment is listed as a background paper to this report.

PROPERTY IMPLICATIONS

33. The issue for consideration here is whether to join a Local Transport body and as such does not have any immediate implications in terms of property. Any possible future bids to an LTB will give due regard to property issues at the appropriate stage.

OPTIONS

34. The options available to members are:
- a) To agree to join with our TfSH partners and the SLEP in a Local Transport Body.
 - b) To appoint the cabinet member for Procurement, Fire, Highways and Transport (or delegated deputy) to represent the Isle of Wight Council on the LTB
 - c) To delegate to the Director of Economy and Environment, in consultation with the cabinet member for Procurement, Fire, Highways and Transport, the authority to amend or agree minor changes to the draft LTB agreement.
 - d) Not to join the LTB.

RISK MANAGEMENT

35. There are a number of risks associated with this issue. The council may wish to seek to access government funding for larger transport schemes at a future date and the only way to do this will be by joining a LTB, option (a).
36. This action is however not without risk as it could place additional burden on the council in terms of the resources that will be required to develop bids for submission to the LTB, the need for future matched funding for schemes at a time when both revenue and capital resources being made available to local authorities is being reduced year on year. Option (c) reduces the risk by giving the council the flexibility to amend or agree minor changes prior to joining.
37. To not join the LTB – option (d) above, brings with it far more risk in terms of ruling out the possibility of accessing future funding from government and by severing connections in this way brings a reputational risk to the council which would be seen as working in isolation from its neighbours as far as funding was concerned.

EVALUATION

38. By comparison to other areas, DfT view the Solent LEP area as being in a strong position to discharge the duties expected of an LTB. The area has a history of successful strategic partnership working and the TfSH area has been successful in generating an additional £30m for the delivery of local transport schemes.
39. The DfT recognise that TfSH has an existing and established pool of transport expertise and the existing joint committee structure already includes key stakeholders such as DfT, Highways Agency, Network Rail and public transport operators.
40. The existing set up, experience and expertise of TfSH including those that it can readily and easily called upon, provides a solid base upon which to base a LTB.
41. Utilising existing TfSH staff resources would result in no additional funding required to effectively support the LTB function and as a result would represent the most effective and least bureaucratic option for establishing an LTB
42. Splitting existing TfSH Joint Committee meetings into two parts (Part A - where TfSH business would be discussed and Part B - devoted to LTB business) is considered as being appropriate, recognising that the LTB is unlikely to need to convene as frequently as TfSH, which currently meets quarterly.
43. It will be necessary for all parties to agree the draft agreement if a LTB is to be established as required. Discussions are still underway and whilst the substantive parts of the agreement are finalised there may be some minor amendments required. It is therefore suggested that members delegate to the Director of Economy and Environment, in consultation with the cabinet member for Procurement, Fire, Highways and Transport, the authority to amend or agree minor changes to the draft LTB agreement.
44. There may well be larger transport schemes for which we would wish to seek government funding in the future. Joining a LTB is the only way in which we will be able

to do this. Options (a), (b) and (c) are therefore recommended as a sound way forward. Agreeing to join will not commit us to prepare bids or seek additional funding in the future, but if we chose to, the suggested framework represents a cost effective way to do it.

RECOMMENDATION

45. The following options are recommended:

- a) To agree to join with our TfSH partners and the SLEP in a Local Transport Body.
- b) To appoint the cabinet member for Procurement, Fire, Highways and Transport to represent the Isle of Wight Council on the LTB.
- c) To delegate to the Director of Economy and Environment, in consultation with the cabinet member for Procurement, Fire, Highways and Transport, the authority to amend or agree minor changes to the draft LTB agreement.

APPENDICES ATTACHED

46. [APPENDIX A](#) – Draft Agreement relating to the Solent Transport Body

47. [APPENDIX B](#) – Draft Solent Transport Body Assurance Framework.

BACKGROUND PAPERS

48. [Equality Impact Assessment](#).

49. Government Consultation - Devolving local major transport schemes can be found via the following link:
(www.gov.uk/government/consultations/devolving-local-major-transport-schemes-consultation)

Contact Point: Chris Wells, Principal Officer – Transport Policy and Strategy,
☎ 01983 821000 e-mail chris.wells@iow.gov.uk

STUART LOVE
*Strategic Director
Economy and Environment*

COUNCILLOR EDWARD GILES
*Cabinet Member
Procurement, Fire, Highways and Transport*

Decision

Signed

Date
